

## 017 - COUNTY EXECUTIVE OFFICE

### Operational Summary

#### Description:

The mission of the County Executive Office (CEO) is to support and implement Board policy and direction through corporate direction and leadership, communication and coordination of strategic and regional planning and to ensure effective service delivery through efficient management of the County's workforce and resources.

#### At a Glance:

Total FY 2002-2003 Projected Expend + Encumb:	21,751,059
Total Recommended FY 2003-2004 Budget:	20,970,912
Percent of County General Fund:	0.86%
Total Employees:	141.00

#### Strategic Goals:

- Goal 1: Facilitate, support and ensure the implementation of decisions by the Board of Supervisors.
- Goal 2: Improve County government's effectiveness in addressing community issues and needs.
- Goal 3: Ensure the financial strength and integrity of the County of Orange.
- Goal 4: Preserve and advance the interests of the Orange County community by working with other levels of government and by ensuring regional issues and needs are addressed.

#### Key Outcome Indicators:

Outcome Indicator	2002 Business Plan Results	2003 Business Plan Target	How are we doing?
<b>BOARD RATING OF CEO SUPPORT</b> <b>What:</b> Board Members rate quality of support provided by CEO <b>Why:</b> To provide CEO with feedback on quality of support provided to the Board	Develop survey instrument	Conduct survey	Survey being developed
<b>AGENCY/DEPARTMENT RATING VALUE OF CEO'S STRATEGIC, FINANCIAL, TECHNOLOGY AND HUMAN RESOURCES SUPPORT</b> <b>What:</b> Feedback on agency/department assessment of CEO's strategic, financial, technology and HR support <b>Why:</b> To measure the effectiveness of leadership and services provided by the CEO to agencies/ departments	Develop survey instrument	Conduct survey	Survey being developed
<b>COUNTY OF ORANGE CREDIT RATINGS</b> <b>What:</b> Ratings by major bond rating companies (Moody's, S&P, Fitch) <b>Why:</b> Credit ratings are indicative of financial credit worthiness and factor into borrowing costs	Maintain County's rating by Moody's of Aa2.	Maintain / Improve rating	Moody's rating of Aa2 is the highest County credit rating ever

## Key Outcome Indicators: (Continued)

Outcome Indicator	2002 Business Plan Results	2003 Business Plan Target	How are we doing?
<b>COUNTY PROPOSED BUDGET CONSISTENCY, MEASURED IN DOLLARS AND PROJECTS, TO STRATEGIC FINANCIAL PLAN</b> <b>What:</b> Indicates extent to which departments consider SFP in developing programs/budget <b>Why:</b> The annual budget implements the first year of the SFP requiring the two to be consistent	The Strategic Financial Plan (SFP) was funded for 17 projects	Incorporate the elements from the five balancing strategies used in the 2003 Strategic Financial Plan into the FY 03-04 recommended budget	The budget was about \$567 million with 17 strategic priorities. The 02-03 Budget was within 13% of the plan with all 17 of the planned projects funded. The budget exceeded the 2002 SFP due to: Department operating expenses, a higher fund balance available and use of Theo Lacy reserve to reduce debt
<b>LOCAL GOVERNMENT RATINGS OF REGIONAL SERVICES AND COORDINATION PROVIDED BY THE COUNTY</b> <b>What:</b> Feedback on percent of local government officials who positively rate Orange County CEO leadership <b>Why:</b> Provides CEO with an indicator of the quality of leadership the office is providing to the community	Develop survey instrument	Conduct survey	Survey being developed
<b>LEGISLATIVE AGENDA SATISFACTION</b> <b>What:</b> Agencies/departments satisfaction with the CEO's legislative agenda and results <b>Why:</b> Provides CEO a measure of success in defining legislative agenda and achieving favorable results	Develop survey instrument	Conduct survey	Survey being developed

## Fiscal Year FY 2002-2003 Key Project Accomplishments:

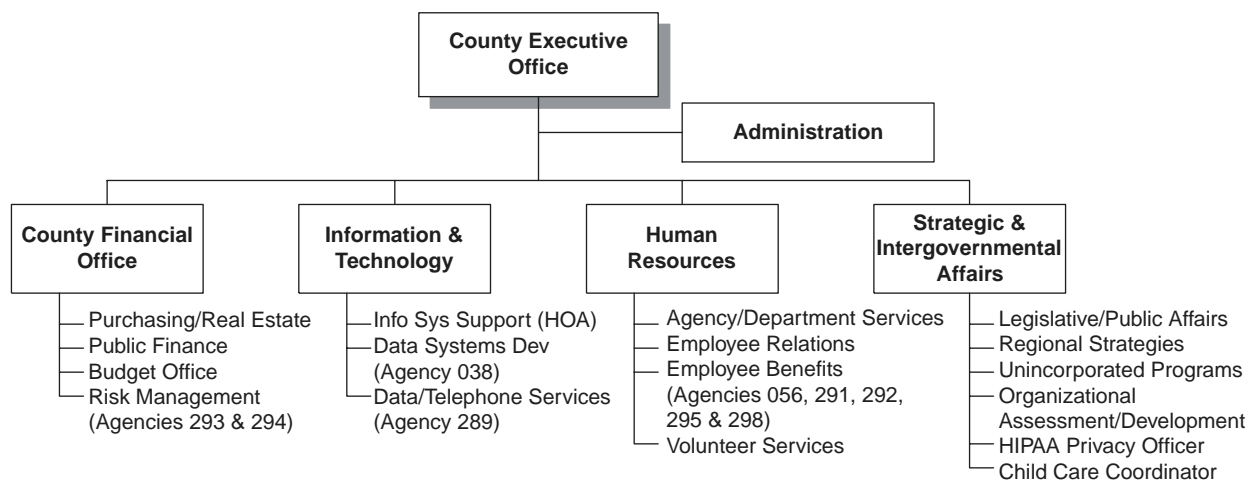
- GOAL 1: Facilitate, support and ensure the implementation of decisions by the Board of Supervisors
- The 2002 County Strategic Financial Plan was adopted by the Board on October 30, 2001
- The Board approved the addition of an Assistant to the Chief Information Officer to reduce his span of control and better manage his work responsibilities
- The 2003 Business Plan process was implemented, with final plans due in February, 2003
- Initiated a collaborative process utilizing a committee of agency/department heads to recommend direction for CEO and Board consideration in development of the 2003-04 budget
- Prepared four quarterly budget reports for the Board to keep the 2002-03 annual budget updated
- Monitored State legislative activity closely to assess potential impacts to the 2002-03 budget.
- The Community Indicators Report was updated and published in February, 2002
- Reviewed all Board agenda items, and facilitated improvements to the processing of agenda items
- Initiated contact with the Supervisor-elect for the Fourth District to facilitate his orientation to office in January, 2003
- Finalized the reorganizations of the Public Facilities Resources Department and the Health Care Agency
- Established IHSS Public Authority and conducted exclusive recognition election for IHSS workforce
- Negotiated various County workforce programs including 2% at 50 for Probation Department; 3% at 50 for Sheriff's Department; Annual Leave for OCEA and SEIU; and training and development program for IT professionals
- Received Honorable Mention award from CSAC for Partnership for Progress program (OCEA Negotiations process)
- Received OCTA Transportation Partnership Award for Communications associated with the Commuter Assistance Program

- Established working group to assess Countywide construction practices and develop a Countywide labor code compliance program
- Sponsored Job Accommodation Network (JAN) symposium for 125 HR professionals
- GOAL 2: Improve County government's effectiveness in addressing community issues and trends
- Completed implementation of the Results Oriented Government component of the Corporate Management System ensuring that every agency and department has meaningful and measurable performance indicators
- The County of Orange received an overall grade of "B" in a national evaluation by Governing Magazine for its financial, HR, IT and Infrastructure programs
- Resolved all labor impacts for a variety of issues including the creation of the Child Support Services Department (SB739) implementation
- Developed, implemented and/or enhanced leadership programs including: LEAD, Executive LEAD and employee self-leadership
- Implemented Board-adopted Employee Recognition Program
- Worked collaboratively with labor to identify and implement PIP program changes; developed and provided PIP Refresher training to approximately 2400 supervisors and reviewers and provided Mediation training to 75 employees and managers to support the PIP Conciliation process
- Continued to support and enhance the role of the LMC's
- Completed assessment of MPP and implemented changes recommended by consultant and Department Head Advisory Committee
- Completed Countywide study to determine the cost of recruiting and developed a plan for the Future of Recruitment and Selection in the County
- Developed and implemented enhancements to key HR systems including the Virtual Application, Advantage Desktop, the Data Warehouse and the home pages for the internet and intranet. Functions that were automated included: the annual Rideshare survey; the Interactive Volunteer Interpreters Website; various CEO publications and Employee Relations processes; online Benefits open enrollment and over 5000 separated personnel files
- Established and implemented process to align classification and workforce planning with business planning, strategic financial planning and budgeting
- Draft of HR Strategic Plan was completed
- Planned and implemented the 2002 Volunteer Recognition ceremony which honored 53 volunteers and was attended by approximately 300 guests
- Completed decentralization of AHRS approvals and transitioned CAPS/Records
- Continued working with HCA and Risk Management to restructure and enhance disability management program by implementing an "interactive process" procedural requirement, the elimination of certain Class 1 physicals, and the establishment of a streamlined process to ensure improved compliance with ADA for new employees
- In collaboration with labor organizations, developed and implemented the enhanced 2002 Benefits design for PPO and HMO health plans and the new Health Care Reimbursement Account (HCRA)
- Developed the 2002-03 Marketing plan for the County as an Employer of Choice
- Through CEO/HR's efforts in recruiting, consultation and coordination of the Volunteer Program, provided the County with over \$28 million in services from interns and volunteers
- Established Countywide policy on employee use of the internet

- Enhanced County technology by increasing use of web services and wireless technology and completing enhancements to the Wide Area Network
- County's web portal expanded and enhanced. Portal templates developed for use uniformly throughout County of Orange
- Wireless initiatives started in two departments. HOA wireless pilot completed and evaluated
- Terminal Server services pilot initiated
- Wireless PDA services provided
- Continued to effectively manage and monitor the County data communications ACS Outsourcing Contract
- Contract monitored and managed. Annual Customer Satisfaction Survey administered and completed. Other County Agencies have been assisted in their access to the services available under the contract
- Continued to engage the IT Steering Committee in IT policy development and long-range strategic planning and the IT Operations Committee in operational and implementation matters
- Scheduled and chaired quarterly IT Steering Committee and IT Operations Council meetings
- Developed a strategy for addressing long-term IBM mainframe usage and cost recovery issue
- Leased IBM mainframe to meet temporary need. Started strategy development process to assess and meet long term mainframe computing needs
- Continued to participate in the Oversight Committees for the CAPS and the Assessment Tax systems and provide technical assistance, as requested by the Registrar of Voters in the selection of a new voting system
- Participated in CAPS and ATS Steering Committees. Assisted in selection process for new voting system
- Continued to develop and enhance CEO systems including AHRS; Virtual Application, Data Warehouse, BRASS and the online Purchasing system
- GOAL 3: Ensure the financial strength and integrity of the County of Orange
- Developed 2002 Strategic Financial Plan approved by the Board on October 30, 2001
- On April 24, 2002, the County issued \$80.3 million of lease revenue bonds to refund the Juvenile Justice Center and finance the cost of the Treasurer's Treasury Management System resulting in a \$5.4 million savings to the County General fund, or \$450,000 per year.
- Presented a balanced budget for 2002-03, adopted by the Board on June 25, 2002
- Moody's continued the County's credit rating of Aa2, and Standard and Poor's upgraded the County's rating from A to A+
- Ladera Ranch Community Facilities District No. 2001-1 (Phase III) financing in the amount of \$33 million was finalized to fund public facilities and improvements in the district
- Conducted summer investor relation meetings in New York
- Improved coordination with Orange County Employees Retirement System on various retirement-related policy and financial issues, and reached agreement on the ARBA (Additional Retirement Benefit Account) which offers assurance to retirees on continued health care subsidies
- Developed new strategies to secure new insurance protection and bar new liability exposures related to terrorism
- County issued Apartment Development Revenue bonds in the amount of \$8 million to finance 61 rental units for low income families at Mendocino at Talega Apartment Homes
- Assisted 65 very low income to moderate income, first-time home buyers secure financing in 2002

- In partnership with Los Angeles County through a joint powers authority (Southern California Home Financing Authority), issued Series 2002 bonds in the amount of \$20 million for mortgage financing for first-time buyers
- Successfully transitioned the Family Support Division from the District Attorney to create a new agency called Child Support Services
- Updated qualified list of panels for financial advisory, bond counsel, and underwriting services
- Developed and implemented comprehensive safety, loss prevention and insurance programs for the County
- Settled Ventura lawsuit including agreement with OCERS that provides the County greater flexibility in the use of the Investment Account
- Developed and coordinated the process for employee and LMC participation in creating Countywide efficiencies and cost reductions
- Initiated review of the fiscal operations of the Planning and Development Services Department
- GOAL 4: Preserve and advance the interest of the Orange County Community by working with other levels of government and ensuring regional issues and needs are addressed
- Completed a very active and successful legislative program in Sacramento and Washington, D.C.
- Facilitated discussions and agreement with the City of Anaheim to implement the Tiger Woods Learning Center
- Trained 2,559 County employees in various loss prevention and safety classes
- Facilitated expansion of the Registrar and Elections Department poll workers program to include County employees
- Facilitated Office of Aging in assessing organizational change to improve delivery of services
- Newport Coast annexation
- Board approval of unincorporated area County island Revitalization Strategic Plan
- Completed first watershed study with municipal, special district, State and Federal partners
- Drafted child care strategic plan to be presented to Board in 2003

## Organizational Summary



**COUNTY EXECUTIVE OFFICE** - The County Executive Office (CEO) is the executive branch of Orange County government. The CEO is responsible for providing leadership, vision, and a knowledge of emerging trends and issues for the purpose of supporting and implementing Board policy, and to ensure that the County of Orange is operated in an efficient, accountable, and responsive manner. The County Executive Officer provides direction to all County agency/department heads directly assigned, and provides administrative oversight to those department heads that report directly to the Board.

**COUNTY FINANCIAL OFFICE** - Provides leadership and manages the overall financial operations of the County. Major responsibilities include long range strategic financial planning, public finance, risk management, budget, corporate business planning, corporate purchasing and real estate support.

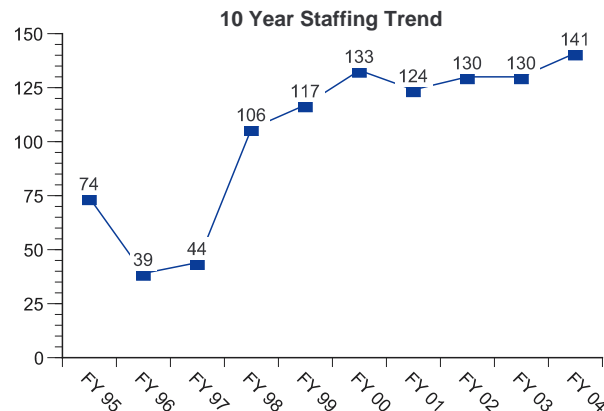
**INFORMATION & TECHNOLOGY** - Provides leadership in the planning and implementation of corporate information technology investments to achieve County goals and objectives. Major responsibilities include data center operations, wide and local area network operation and support, applications development and programming, and telephone services.

**HUMAN RESOURCES** - Provides leadership in change management, and in developing organizational design, best practices and people strategies that allow the County to attract, select, and retain business-required talent. Major responsibilities include labor contract negotiation and interpretation, development of human resource policy and program initiatives designed to encompass public/private best practice strategies, policy compliance auditing, benefits administration, and employee development and training programs.

**STRATEGIC & INTERGOV AFFAIRS** - Provides leadership in the planning and establishment of effective governance structures and relationships for the accomplishment of County corporate, as well as regional goals and objectives. Major responsibilities include coordination of all Federal and State legislative advocacy efforts, conducting organizational assessments, providing oversight and coordination of

a number of critical regional issues (e.g., child care, annexation/ incorporations), and administering the Orange County Development Authority, the Comprehensive Economic Development Strategy and tourism activities, and the Health Insurance Portability and Accountability Act.

### Ten Year Staffing Trend:



### Ten Year Staffing Trend Highlights:

- FY 97/98 - As a result of County restructuring, the Office of Human Resources (HR), Purchasing, Real Estate, and the Records Management Program (Record Center), and an accompanying 62 positions, merged into the County Executive Office. Prior to FY 97/98, the Office of HR was an independent operating agency, and Purchasing, Real Estate, and the County Records Center were divisions within General Services Agency, which was disbanded during the restructuring process.
- FY 98/99 - Positions increased to support strategic priorities and other activities, such as Real Estate, Homeless Issues Coordination, and El Toro Master Development Program. This included position transfers from other operating agencies, i.e., PF&RD and HCD, to the CEO, as well as some limited-term positions.
- FY 99/00 - Positions increased to support strategic priorities. This included a position transfer from SSA, ongoing program support conversions from extra help to regular, and limited-term positions to support the El Toro Master Development Program.
- FY 00/01 - Positions decreased as limited-term positions related to El Toro MCAS were deleted.
- FY 01/02 - One position added to Human Resources for clerical support of the Volunteer Program and virtual employment center. Two long term extra help positions converted to regular positions; one for Strategic Affairs



to support Media Relations and one to support CEO Administration. Four positions transferred in from Data Systems to support the Hall of Administration. In the Final Budget one additional position added in Purchasing to jointly support both Children and Families Commission and the LRA. Mid year, in 00-01, four positions transferred from CEO to the Local Redevelopment Authority and two positions added for the Watershed Program and child care coordination.

- FY 02/03 - One position transferred to Housing and Community Development for coordination of homeless issues. One position transferred in from Information and Technology ISF to provide purchasing support.
- FY 03/04 - One position deleted in Human Resources as a result of the Strategic Financial Plan reductions. Two positions transferred in to support the new federal mandate for Health Insurance Portability and Accountability Act (HIPAA). Ten positions transferred in from Employee Benefits as Limited Term for CEO IT pilot project for scanning County documents.

### Changes Included in the Recommended Base Budget:

Revenue for FY 03-04 includes elimination of \$300,000 from Strategic Financial Plan funding of Human Resources workforce issues, a decrease of \$39,000 in reimbursement charges to OCDA and a \$13,000 decrease in charges to Superior Court for records retention.

Appropriations include an overall decrease of \$2,307,000, largely due to budget reductions identified in the Strategic Financial Plan, including watershed, economic development, college interns, employee recognition and training programs. Increased salary and insurance costs were also absorbed in this overall decrease.

Two positions transferred in from the Health Care Agency to support new Federal mandate, under the Health Insurance Portability and Accountability Act (HIPAA). Ten limited-term positions transferred in from Employee Benefits to CEO/Information Technology to support a pilot project for scanning County documents.

## Budget Summary

### Plan for Support of the County's Strategic Priorities:

The County Executive Office will lead the Board's strategic planning process, update the Strategic Financial Plan and continue development and implementation of the County's Corporate Management System, integrate and coordinate regional planning efforts, provide leadership in the development of the County's human resources, technology, financial and administrative functions, and support the Board in developing and pursuing the Orange County Legislative Platform.

### Requested Budget Augmentations and Related Performance Results:

Unit/Amount	Description	Performance Plan	Ref. Num.
<b>Purchasing Amount:\$ 152,552</b>	Addition of two Senior Staff Analysts for Ad Hoc RFP Committee implementation	Successful review of solicitations and contracts without delaying issuance	017-003
<b>Purchasing Amount:\$ 139,774</b>	Addition of two Staff Analyst III for Ad Hoc RFP Committee implementation	Successful support to agencies with low volume	017-004
<b>Purchasing Amount:\$ 250,000</b>	Contract services to develop procedures, training materials, and revise Contract Policy Manual	Successful implementation of training and completion of written documents by end of FY 04-05	017-005

## Proposed Budget and History:

Sources and Uses	FY 2001-2002 Actual	FY 2002-2003 Budget As of 3/31/03	FY 2002-2003 Projected <sup>(1)</sup> At 6/30/03	FY 2003-2004 Recommended	Change from FY 2002-2003 Projected	
					Amount	Percent
Total Positions	-	132	132	141	9	6.82
Total Revenues	2,665,786	2,704,466	2,692,733	2,339,066	(353,667)	-13.13
Total Requirements	17,604,117	22,490,955	23,372,358	20,970,912	(2,401,446)	-10.27
Net County Cost	14,938,331	19,786,489	20,679,625	18,631,846	(2,047,779)	-9.90

(1) Requirements include prior year encumbrances and expenditures. Therefore, the above totals may not match FY 2002-2003 projected requirements included in "At a Glance" (Which exclude these).

Detailed budget by expense category and by activity is presented for agency: County Executive Office in the Appendix on page 578.

## Highlights of Key Trends:

- FY 03-04 will again be dominated by the Governor and State legislature's handling of the now projected \$35 billion State budget deficit, local community demands for

additional services to address security concerns, and the Orange County Superior Court's ruling on the property tax assessment methodology process.

## Budget Units Under Agency Control

No.	Agency Name	County Executive Office	County Financial Office	Information & Technology	Human Resources	Strategic & Intergov Affairs	Total
004	Miscellaneous	0	184,361,806	0	0	0	184,361,806
016	Recovery Cop Lease Financing	0	64,403,752	0	0	0	64,403,752
017	County Executive Office	4,236,071	6,187,724	1,798,906	4,411,905	4,336,306	20,970,912
019	Capital Acquisition Financing	0	8,855,715	0	0	0	8,855,715
036	Capital Projects	0	45,049,653	0	0	0	45,049,653
038	Data Systems Development Projects	0	0	14,876,440	0	0	14,876,440
056	Employee Benefits	0	0	0	7,411,168	0	7,411,168
081	Trial Courts	0	67,677,183	0	0	0	67,677,183
099	Provision For Contingencies	0	5,000,000	0	0	0	5,000,000
104	Criminal Justice Facilities - ACO	0	9,711,925	0	0	0	9,711,925
105	Courthouse Temporary Construction	0	4,728,987	0	0	0	4,728,987
135	Real Estate Development Program	0	15,128,336	0	0	0	15,128,336
13A	Litigation Reserve Escrow	0	187,186	0	0	0	187,186
13J	Children'S Waiting Room Fund	0	549,132	0	0	0	549,132
13L	Telecommunications 2001 Equipment Fund	0	0	3,134,374	0	0	3,134,374
13N	OC Tobacco Settlement Fund	0	41,455,484	0	0	0	41,455,484
145	Revenue Neutrality Fund	0	8,594,448	0	0	0	8,594,448
14B	County Public Safety Sales Tax Excess Revenue	0	39,608,094	0	0	0	39,608,094
14F	Deferred Compensation Reimbursement (Ceo)	0	0	0	7,417,669	0	7,417,669



## Budget Units Under Agency Control

No.	Agency Name	County Executive Office	County Financial Office	Information & Technology	Human Resources	Strategic & Intergov Affairs	Total
14L	Local Law Enf Block Grant	0	192,902	0	0	0	192,902
14U	Court Facilities Fund	0	1,728,297	0	0	0	1,728,297
14V	Debt Prepayment Fund	0	93,884,709	0	0	0	93,884,709
14X	Tobacco Settlement Fund	0	1,474,128	0	0	0	1,474,128
14Y	Indemnification Reserve	0	1,137,237	0	0	0	1,137,237
14Z	Litigation Reserve	0	3,401,800	0	0	0	3,401,800
15J	Pension Obligation Bonds Debt Service	0	165,485,945	0	0	0	165,485,945
15P	Refunding Recovery Bonds	0	58,405,404	0	0	0	58,405,404
15R	Debt Reduc/Future Essential Operating Requirements	0	1,557,153	0	0	0	1,557,153
15S	Designated Special Revenue	0	57,349,944	0	0	0	57,349,944
289	Information & Technology ISF	0	0	52,029,664	0	0	52,029,664
291	Unemployment ISF	0	0	0	6,405,943	0	6,405,943
292	County Indemnity Health ISF	0	0	0	69,675,437	0	69,675,437
293	Workers' Compensation ISF	0	42,524,515	0	0	0	42,524,515
294	Property & Casualty Risk ISF	0	34,930,364	0	0	0	34,930,364
295	Retiree Medical ISF	0	0	0	50,976,748	0	50,976,748
298	Self-Insured Benefits ISF	0	0	0	7,219,023	0	7,219,023
486	Ladera CFD 2002-01 Construction	0	52,999,000	0	0	0	52,999,000
487	Ladera CFD 2002-01 Debt Service	0	6,750,000	0	0	0	6,750,000
599	OC Special Financing Authority	0	47,100,000	0	0	0	47,100,000
9A0	Public Financing Program (Pgm III)	0	63,731,748	0	0	0	63,731,748
9B0	Public Financing Program (Pgm V)	0	50,197,189	0	0	0	50,197,189
9C0	Public Financing Program (Pgm VI)	0	253,246,927	0	0	0	253,246,927
	Total	4,236,071	1,437,596,687	71,839,384	153,517,893	4,336,306	1,671,526,341

